177 FERC ¶ 61,206
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Richard Glick, Chairman;
James P. Danly, Allison Clements,
and Mark C. Christie.

El Paso Electric Company Docket Nos. ER21-2497-000
ER21-2497-001

ORDER REJECTING UNEXECUTED GENERATOR INTERCONNECTION AGREEMENT

(Issued December 17, 2021)

1. On July 23, 2021, El Paso Electric Company (El Paso) filed, pursuant to section 205 of the Federal Power Act (FPA)[1] and part 35 of the Commission's regulations,[2] an unexecuted, non-conforming large generator interconnection agreement (LGIA) with Solar PV Development NM 29 II LLC (Solar PV), designated as Service Agreement No. 360 under El Paso's Open Access Transmission Tariff (Tariff). In this order, we reject the LGIA, as discussed below.

I. El Paso's Filing

2. El Paso filed an unexecuted LGIA with Solar PV to provide for the interconnection of a solar photovoltaic generating project (the Project) that Solar PV is developing in El Paso's service territory in New Mexico. The Project consists of a 130 MW generating facility, a 345 kV substation, and a generator tie line from the facility to El Paso's existing 345 kV transmission line between its Luna and Afton North substations.

3. The LGIA contains provisions that do not conform with the *pro forma* LGIA in El Paso's Tariff. El Paso states that the non-conforming provisions of the LGIA are necessary to reliably interconnect the Project to El Paso's transmission system.[3] Specifically, El Paso proposes non-conforming revisions to article 9.6.1.2 (Non-Synchronous Generation) of the LGIA to: (1) measure reactive power at the point of

[1] 16 U.S.C. § 824d.

[2] 18 C.F.R. pt. 35 (2021).

[3] El Paso Transmittal at 1.

interconnection instead of the high-voltage side of the generator's transformer; (2) eliminate the option to allow interconnection customers to provide reactive support using fixed and switched capacitors or a combination of the two; and (3) remove the option to use a power factor range established by the transmission provider. El Paso proposes a new, non-conforming footnote in article 9.6.4.1 (Governor or Equivalent Controls) of the LGIA, which clarifies response procedures for over-frequency excursion events.

4. El Paso also proposes non-conforming language in Appendix G, which would establish interconnection requirements relevant to a non-synchronous generating plant. Specifically, El Paso's proposed non-conforming changes include: (1) revisions to apply Appendix G, which applies only to wind resources, to non-synchronous generators generally so that it is applicable to Solar PV's project; (2) indicating that the interconnection customer must comply with any North American Electric Reliability Corporation (NERC) guidance applicable to non-synchronous generating resources, and must, at least 90 days prior to energization, conform to NERC's Inverter-Based Resource Performance Guideline in its then-current form, unless the Agreement specifically calls for more stringent measures; (3) removing the transition and post-transition period low voltage ride-through standards established in Order No. 661;[4] (4) incorporating additional language governing frequency response performance, reactive power, and voltage performance, including a headroom requirement; and (5) removing Appendix 7 (Interconnection Procedures for a Wind Generating Plant).[5] El Paso also proposes changes to article 30.2 (Conflicts) of the LGIA to clarify that, in the event of a conflict between the LGIA and Appendix G, the language in Appendix G will control.[6]

5. El Paso states that the proposed non-conforming provisions meet the standard recently applied by the Commission because they address "specific reliability concerns, novel legal issues, or other unique factors."[7] El Paso explains that the non-conforming

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[4] *Interconnection for Wind Energy*, Order No. 661, 111 FERC ¶ 61,353, at PP 114-116, *order on reh'g*, Order No. 661-A, 113 FERC ¶ 61,254, at P 70 (2005).

[5] El Paso explains that it makes corresponding non-conforming changes throughout article 9.6 of the LGIA—specifically, to articles 9.6.3, 9.6.4, 9.6.4.1, and 9.6.4.2.

[6] El Paso's proposed article 30.2 specifically provides that, "With respect to Appendix G, specifically, the Parties understand and acknowledge that the contents of Appendix G contain more stringent requirements than those contained in the body of this LGIA; the more stringent requirements of Appendix G are intended to control . . . ."

[7] El Paso Transmittal at 5 (citing *Sw. Power Pool, Inc.*, 172 FERC ¶ 61,170, at P 22 (2020)).

provisions reflected in the LGIA with Solar PV are necessary and relate to risks posed to El Paso's transmission system by non-synchronous generators. El Paso states that the risks to the transmission grid related to inverter-based (non-synchronous) generation connections came to light after several events in which transmission line outages led to large losses of inverter-based generation interconnected to the transmission grid. El Paso explains that one such event, the Blue Cut Fire in southern California, prompted an industry task force to produce a report identifying risks from inverter-based generation to transmission system disturbances, such as "the potential effects of PV momentary cessation in the southwestern portion of the [Western Electricity Coordinating Council (WECC)] system."[8] El Paso states that, following this report, NERC posted an industry guideline addressing general requirements for inverter-based resources, momentary cessation, fault ride-through and protection, active power-frequency control, and reactive power-voltage control.[9]

6. El Paso explains that its system is located in WECC, in the desert southwest region at the southern corner of the Western Interconnection. El Paso further explains that the El Paso system acts as a load pocket and operates its import levels under voltage determined nomograms. El Paso states that, based on its location on the fringe of the Western Interconnection, generator impacts are felt locally and are not readily absorbed or dissipated as they might be in a location more centrally located within the Western Interconnection. El Paso argues that non-synchronous generation is a cause for concern given the intermittent, non-dispatchable nature of its output, making it necessary for El Paso to protect the reliability of its system with measures contained in the non-conforming LGIA, which El Paso asserts will make it less likely that the generator will exacerbate disruptions in the El Paso transmission system, and more likely that the generating facility will be able to stay connected to the El Paso system during system events.[10]

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[8] El Paso Transmittal at 2 (citing North American Electric Reliability Corporation, 1,200 MW Fault Induced Solar Photovoltaic Resource Interruption Disturbance Report, Southern California 8/16/2016 Event, at 29 (June 2017), https://www.nerc.com/pa/rrm/ea/Pages/1200-MW-Fault-Induced-Solar-Photovoltaic-Resource-Interruption-Disturbance-Report.aspx (June 2017 NERC Task Force Report)).

[9] El Paso Transmittal at 2 (citing North American Electric Reliability Corporation, Reliability Guideline, BPS-Connection Inverter-Based Resource Performance (Sept. 2018), https://www.nerc.com/comm/RSTC_Reliability_Guidelines/Inverter-Based_Resource_Performance_Guideline.pdf#search=Search%2E%2E%2EBPS%2DConnected%20InverterBased%20Resources).

[10] El Paso Transmittal at 2-3.

7. El Paso states that it employs an under-voltage load-shedding program on its transmission system—if local voltage levels drop below certain thresholds following an event, load shedding is triggered to protect the system. El Paso maintains that preventing a drop in the amount of voltage-supporting reactive power injected during a system disturbance, especially in the western region of El Paso's 345 kV system where the Project proposes to interconnect, is essential to minimize the effect of such a disturbance.[11]

8. With regard to the non-conforming revisions to the point of measurement for reactive power, El Paso states that it is important for the reactive power measurement to be taken at the point of interconnection because only then can El Paso effectively monitor for and protect against the adverse impacts of the generator. El Paso further states that the equipment used to take the measurements should be located on El Paso-owned facilities, on El Paso's side of the point of change in ownership, and inside the fence line of the point of interconnection substation, where the equipment can be serviced by El Paso and protected by any necessary physical security measures required by NERC. El Paso further states that placing the equipment at the point of interconnection also ensures that line losses between the generator's equipment and the El Paso transmission system are covered by the generator.[12]

9. El Paso explains that the non-conforming language in Appendix G of the LGIA implements Recommendation 4b of the June 2017 NERC Task Force Report and NERC's subsequent reliability guideline for the purpose of reliably interconnecting the Project to the El Paso transmission system.[13]

10. El Paso states that it has included the non-conforming provisions in LGIAs for similar types of generators seeking to interconnect to its system since NERC posted its guidelines, and that the Commission approved such provisions.[14] El Paso states that the application of these requirements to the interconnection customer is non-discriminatory and non-preferential.

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[11] *Id.* at 3.

[12] *Id.* at 4.

[13] *Id.* at 2 (citing June 2017 NERC Task Force Report at 17).

[14] *Id.* at 5 (citing *El Paso Elec. Co.*, 175 FERC ¶ 61,199 (2021); *El Paso Elec. Co.*, Docket No. ER20-650-000 (Feb. 20, 2020) (delegated order); *El Paso Elec. Co.*, Docket No. ER20-2057-000 (Aug. 4, 2020) (delegated order); *El Paso Elec. Co.*, Docket No. ER20-2058-000 (Aug. 4, 2020) (delegated order); and *El Paso Elec. Co.*, Docket No. ER20-2713-000 (Oct. 13, 2020) (delegated order)).

II. Notice and Responsive Pleadings

11. Notice of El Paso's filing was published in the *Federal Register*, 86 Fed. Reg. 40,819 (July 29, 2021), with interventions and protests due on or before August 13, 2021. On August 13, 2021, Solar PV filed a timely motion to intervene and protest. On August 31, 2021, El Paso filed an answer to Solar PV's protest. On September 15, 2021, Solar PV filed an answer to El Paso's answer.

12. On September 20, 2021, Commission staff issued a letter informing El Paso that its July 23, 2021 filing was deficient and requested additional information. On October 20, 2021, El Paso submitted a response to the deficiency letter (Deficiency Response).

13. Notice of El Paso's Deficiency Response was published in the *Federal Register*, 86 Fed. Reg. 59,374 (Oct. 27, 2021), with interventions and protests due on or before November 10, 2021. On November 10, 2021, Solar PV filed a protest.

A. Solar PV August 13 Protest

14. First, Solar PV argues that El Paso fails to demonstrate that its non-conforming changes are necessary,[15] arguing that El Paso must meet a high burden to support a case-specific deviation from its *pro forma* LGIA as not merely consistent with or superior to the *pro forma* agreement, but necessary.[16] Solar PV asserts that, rather than demonstrate that the non-conforming changes are necessary based on facts specific to Solar PV's project, El Paso cites a 2016 report and 2019 NERC guidelines, and fails to demonstrate how either is relevant to the circumstances of the Project.

15. Solar PV objects to specific non-conforming revisions to Appendix G, including: (1) the reflection of two separate fault conditions without bounding requirements for both conditions; (2) system-wide voltage support requirements that may not account for its Project's design; and (3) vague language, such as a statement that voltage studies will be performed on a "periodic basis," where more specificity would allow for coordination between the parties.[17] Solar PV asserts that if the reliability concern of inverter-based resources on El Paso's system is as dire as El Paso suggests, it should make a separate filing under FPA section 205 to revise its *pro forma* LGIA.

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[15] Solar PV August 13 Protest at 5.

[16] *Id.* (citing *PJM Interconnection, L.L.C.*, 111 FERC ¶ 61,163 (2005)).

[17] *Id.* at 6.

16. Second, Solar PV objects to El Paso's proposed cluster project cost allocation. Solar PV explains that El Paso consolidated its network upgrade costs with those of another project in the cluster and assigned the costs "proportionally, based on the requested interconnection size (MW)," contrary to the cost causation principle.[18] Solar PV asserts that there is nothing in El Paso's Tariff that supports cluster project cost allocation or Solar PV subsidizing costs for the CO100SB project. Additionally, Solar PV requests that the Commission direct El Paso to remove from Solar PV's network upgrade cost estimate any costs not directly assignable or triggered by Solar PV's Project. For example, Solar PV asserts, costs associated with accommodations for a future line or generator connection should be removed because the accommodations are not explicitly outlined in the LGIA and do not follow the parties' negotiation of the LGIA.[19] Alternatively, Solar PV requests that, if the Commission determines El Paso appropriately allocated the network upgrade costs between Solar PV and the CO100SB project, the Commission direct El Paso to refund Solar PV for costs associated with the CO100SB project should it be removed from the interconnection queue.

17. Third, Solar PV requests that the Commission direct El Paso to: (1) incorporate Solar PV's proposed milestones into Appendix B of the LGIA, in order to ensure timely coordination between El Paso and Solar PV during the development, design, and construction of the 345 kV LA130S substation; (2) revise security amounts to remove costs not directly attributable to Solar PV's Project; and (3) reflect Solar PV's election of the option to build.[20]

18. Finally, Solar PV requests that the Commission refer the proceeding to the Commission's Dispute Resolution Service for alternative dispute resolution, so that the parties can resolve all outstanding issues. Solar PV requests that the Commission not set this proceeding for hearing and settlement judge procedures.[21]

B. El Paso's Answer

19. El Paso states that the non-conforming provisions in the LGIA are driven by NERC's industry guideline for inverter-based generation. El Paso asserts that the non-conforming provisions in Appendix G reduce the likelihood that Solar PV's Project will

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[18] *Id.* at 6-7 (quoting LGIA, app. C, § C, tbl. C-17 and preceding text).

[19] *Id.* at 7-8.

[20] *Id.* at 8-9.

[21] *Id.* at 10.

be lost if the El Paso transmission system experiences a photovoltaic interruption.[22] Responding to Solar PV's specific concerns under Appendix G, El Paso explains that "wind generator" is replaced with "non-synchronous generator" but otherwise adopts the conforming text; only voltage support requirements necessary for Solar PV's non-synchronous facility are reflected; that voltage studies will be performed on a "periodic basis" to allow flexibility to coordinate with the Regional Coordinator and to eliminate the burden to perform a study merely because the LGIA designates one.[23]

20. El Paso responds to Solar PV's opposition to the network upgrade cost allocation among queue cluster participants by asserting that Solar PV's cluster began with five participants, but now only Solar PV's 130 MW Project and the CO100SB 100 MW project remain, resulting in 56.52% cost responsibility for Solar PV. El Paso argues that its proposal to allocate network upgrade costs on a pro rata basis is non-discriminatory.[24] El Paso also argues that there is no basis for Solar PV's request for refunds in light of queue withdrawals. El Paso states that the CO100SB project ordered a suspension of work and Solar PV submitted advance notice that it is suspending its LGIA, and if either should terminate, that customer should be responsible for all costs associated with the removal, relocation, or other disposition of the facilities already installed or constructed.[25] El Paso clarifies that, contrary to Solar PV's concern, Solar PV will not be responsible for the two 3000A Vertical circuit breakers, as noted in footnote twelve of Appendix C, and therefore, El Paso argues, no changes to the network upgrade costs or milestone security requirements are necessary.[26]

21. Finally, El Paso disagrees with Solar PV's requests to revise financial security amounts and milestones in the LGIA. El Paso explains that the LA130S substation is estimated to cost $9,259,000, of which Solar PV is responsible for $5,233,348, and a total financial security of $13,547,435 (total cost responsibility minus LA130S substation responsibility minus LA130S interconnection facilities plus limited items for which El Paso is responsible).[27] El Paso asserts the LGIA reflects the accurate financial security obligations for Solar PV. El Paso also states that it disagrees with Solar PV's proposed

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[22] El Paso Answer at 4-5.

[23] *Id.* at 5-6 (citing to proposed sections A.i1 and A.ii).

[24] *Id.* at 7 (citing *El Paso Elec. Co.*, 128 FERC ¶ 61,155, at P 13 (2009); *El Paso Elec. Co.*, 137 FERC ¶ 61,101 (2011)).

[25] *Id.* at 7-8 (citing LGIA art. 2.4.3).

[26] *Id.* at 8-9.

[27] *Id.* at 9 (citing LGIA, app. C, tbls. C-17, C-18).

additional milestones and asserts that the LGIA contains adequate provisions to allow for communication and coordination between the parties, and that Solar PV's concern about bringing the Project online as soon as possible runs counter to its advance suspension of the LGIA.[28]

C. Solar PV's Answer

22. Solar PV argues that El Paso's proposal continues to lack support for the allocation of cluster project costs to Solar PV. Solar PV notes that the Commission never explicitly authorized El Paso's network upgrade allocation methodology.[29] Solar PV requests that, if the Commission finds the cost allocation methodology to be acceptable, project costs associated with the other cluster participant's project be removed from Solar PV's allocation because that project was suspended. Solar PV requests that the financial security amount be reduced by seven million dollars by excluding Solar PV's network upgrade responsibility for the Project, excluding the Project facilities cost, and adding limited other items.[30]

III. Deficiency Letter, Response, and Protest

A. Cost Allocation and Financial Security

23. In the deficiency letter, Commission staff asked El Paso to explain whether and how the Chaparral and Escondido network upgrades are needed for the interconnection of the LA130S project, and how allocating these network upgrades on a pro rata basis by MW is consistent with El Paso's tariff. Commission staff also asked El Paso to explain how the requirement for the interconnection customer to post financial security associated with the transmission provider's interconnection facilities, or the application of the interconnection customer's financial security for the transmission provider's interconnection facilities, is consistent with the "Option to Build" provision.[31]

24. El Paso responds that Network Resource Interconnection Service cluster project outputs will flow across all common network upgrades, and that projects which selected Network Resource Interconnection Service were aware in advance of El Paso's intent to allocate costs on a pro rata basis. El Paso explains that its tariff authorizes cluster studies, and though it does not specify the allocation, it has previously explained its allocation

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[28] *Id.* at 10.

[29] Solar PV Answer at 2-3, n.22.

[30] *Id.* at 4, Revised tbl. 1.

[31] Deficiency Letter at 1-2.

methodology and the Commission expressly acknowledged it.[32] Regarding its security request, El Paso explains that, consistent with article 5.1.3 of El Paso's LGIA, Solar PV has assumed responsibility for the design, procurement, and construction of its share of its substation, a stand-alone network upgrade. El Paso states that the security amount in the LGIA does not include Solar PV's cost responsibility for the interconnection facilities or stand-alone network upgrades. El Paso states that Solar PV does not contest this point. El Paso states that the provision of security in the LGIA for the remaining types of facilities (certain interconnection facilities, network upgrades, or distribution upgrades) is consistent with article 11.5 of the LGIA.[33]

25. In response, Solar PV states that its substation is a stand-alone network upgrade, its transmission line is required for its substation only, and the other network upgrades identified in the LGIA are required for the cluster project only. Therefore, Solar PV argues that not all of the network upgrades in the LGIA are common to the cluster and should not be paid by the party that will not use the facilities. Solar PV contends that despite the Commission's prior acknowledgement of its pro rata allocation, El Paso must have an accepted rate on file with the Commission.[34] Solar PV reiterates that El Paso's pro rata allocation creates excessive financial security requirements in its milestones, which should be reduced to exclude Solar PV's stand-alone network upgrades and the CO100SB Project costs.[35]

B. Headroom Reservation

26. In the deficiency letter, Commission staff asked El Paso to explain why the proposed headroom reservation of ±0.036 Hz deadband should be required as a condition of interconnection in this particular factual circumstance, and whether El Paso has proposed an associated mechanism to compensate the interconnection customer, and if so, to describe the compensation mechanism.[36]

27. El Paso explains that it is "not seeking to require the Interconnection Customer to: (i) put its generating facility on line when it is otherwise off line; (ii) limit its generating

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[32] Deficiency Response at 2-4 (citing *El Paso Elec. Co.*, 128 FERC ¶ 61,155 at P 13 and *El Paso Elec. Co.*, 137 FERC ¶ 61,101).

[33] *Id.* at 8.

[34] Solar PV November 10 Protest at 3 (citing *Old Dominion Elec. Coop. v. FERC*, 892 F.3d 1223, 1226-67 (D.C. Cir. 2018)).

[35] *Id.* at 3-4.

[36] Deficiency Letter at 1-2.

facility's output to a level below its maximum operating capability during non-contingency conditions so the generator will be in a position to increase its active power output during an under-frequency excursion event; or (iii) maintain a floor-level of generating facility output during non-contingency conditions so the generator would be capable of decreasing its active power output during an over-frequency excursion event."[37] El Paso explains that its proposal requires the generators' responses to be timely and sustained within the five percent droop specification, but that compensation is not required by Order No. 842. El Paso proposes to further revise section A(ii) of Appendix G to maintain consistency with Order No. 842.[38]

28. In response, Solar PV argues that El Paso's proposed revision still requires the customer to reserve generation headroom to provide frequency response and that El Paso has not proposed a compensation mechanism. Solar PV questions what "remain energized" means in the context, how headroom maintenance will be determined, and how operating limits and dispatched output will be differentiated.[39]

C. Reactive Support

29. Commission staff also asked El Paso in the deficiency letter to explain why the exclusion of the option to provide reactive support "using fixed and switched capacitors, or a combination of the two" is necessary.[40]

30. El Paso argues that dynamic reactive support is critical on the Luna-Afton 345 kV line, as this is a main path for El Paso to import power from Arizona. El Paso explains that, while switched capacitors are more cost-effective for generators, they fail to respond to transient or post-transient events and are potentially incapable of controlling voltage excursions.[41]

31. Solar PV argues that studies for its project did not identify any voltage stability or interconnection issues, and that removal of its option for capacitors may deprive it of its

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[37] Deficiency Response at 6.

[38] El Paso proposes the following alternative language: ~~The Interconnection Customer will reserve generation headroom~~ The Interconnection Customer's Large Generating Facility will remain energized to provide adequate frequency ride-through response for frequency excursions outside the ±0.036 Hz deadband.

[39] Solar PV November 10 Protest at 4-5.

[40] Deficiency Letter at 2.

[41] Deficiency Response at 8-9.

ability to use its three-stage 27 Mvar switchable shunt capacitor bank to supply reactive power losses, and ultimately prevent it from achieving commercial operation.[42]

IV. Discussion

A. Procedural Matters

32. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2021), Solar PV's timely, unopposed motion to intervene serves to make it a party to this proceeding.

33. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2021), prohibits an answer to a protest or answer unless otherwise ordered by the decisional authority. We accept El Paso's and Solar PV's answers because they have provided information that assisted us in our decision-making process.

B. Substantive Matters

34. We reject the unexecuted LGIA because El Paso has failed to meet its burden to justify its proposed non-conforming provisions as necessary changes from its *pro forma* LGIA.

35. In Order No. 2003, the Commission required transmission providers to offer their customers interconnection service consistent with *pro forma* interconnection documents, which ensures that customers receive non-discriminatory service and streamlines the interconnection process by eliminating the need for customers to negotiate the individual terms of each agreement, thus reducing transaction costs and the need to file each agreement with the Commission to be evaluated on a case-by-case basis.[43] In accordance with Order No. 2003, the Commission requires interconnection agreements that do not conform to the transmission provider's *pro forma* interconnection agreement to be filed with the Commission.[44] The Commission analyzes such non-conforming filings to

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[42] Solar PV November 10 Protest at 5-6.

[43] *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, 104 FERC ¶ 61,103, at PP 1-4 (2003), *order on reh'g*, Order No. 2003-A, 106 FERC ¶ 61,220, *order on reh'g*, Order No. 2003-B, 109 FERC ¶ 61,287 (2004), *order on reh'g*, Order No. 2003-C, 111 FERC ¶ 61,401 (2005), *aff'd sub nom. Nat'l Ass'n of Regulatory Util. Comm'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007), *cert. denied*, 552 U.S. 1230 (2008).

[44] Order No. 2003, 104 FERC ¶ 61,103 at P 914; *see also Sw. Power Pool, Inc.*, 132 FERC ¶ 61,062, at P 3 (2010).

ensure that operational or other reasons make a non-conforming agreement necessary.[45] The Commission recognizes that non-conforming agreements may be necessary for interconnections with specific reliability concerns, novel legal issues, or other unique factors.[46] Thus, a transmission provider seeking a case-specific deviation from its *pro forma* interconnection agreement bears a high burden to justify and explain that its changes are not merely "consistent with or superior to" the *pro forma* agreement, but are necessary changes.[47]

36. El Paso argues that the non-conforming provisions in the LGIA are necessary to reliably interconnect the Project to El Paso's transmission system, stating that they relate to reliability risks posed to El Paso's transmission system by non-synchronous generators.[48] However, we find that El Paso has not explained why these deviations from El Paso's *pro forma* LGIA are necessary to address specific reliability concerns, novel legal issues, or other unique factors associated with interconnecting the Solar PV Project to El Paso's transmission system. The reliability concerns that El Paso asserts justify its non-conforming revisions broadly apply to its system and interconnecting non-synchronous resources and are not specific to the Project's interconnection. We thus find that the non-conforming agreement does not satisfy the "necessary" standard and is inconsistent with the standard's stated purpose, which allows transmission providers to accommodate interconnection-specific issues.[49]

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[45] *Sw. Power Pool, Inc.*, 133 FERC ¶ 61,084, at P 6 (2010); *Sw. Power Pool, Inc.*, 132 FERC ¶ 61,062 at P 3; *PJM Interconnection, L.L.C.*, 111 FERC ¶ 61,163, at P 11 (2009).

[46] *Sw. Power Pool, Inc.*, 133 FERC ¶ 61,084 at P 6; *Sw. Power Pool, Inc.*, 132 FERC ¶ 61,062 at P 3; *PJM Interconnection, L.L.C.*, 111 FERC ¶ 61,163 at P 10 (citing Order No. 2003, 104 FERC ¶ 61,103 at PP 913-15).

[47] *Renewable World Energies, LLC*, 176 FERC ¶ 61,140, at P 20 (2021); *Sw. Power Pool, Inc.*, 133 FERC ¶ 61,084 at P 6; *Sw. Power Pool, Inc.*, 132 FERC ¶ 61,062 at P 3; *PJM Interconnection, L.L.C.*, 111 FERC ¶ 61,163 at P 18.

[48] El Paso Transmittal at 1; El Paso Answer at 4-5.

[49] *See, e.g.*, *Public Serv. Co. of Colorado,* 171 FERC ¶ 61,089, at P 18 (2020) (finding that the transmission provider had not demonstrated changes to be necessary to "address specific reliability concerns, novel legal issues, or other unique factors"); *PJM Interconnection, L.L.C.*, 111 FERC ¶ 61,098, at P 8 (2005) (stating that the filing party must explain "the unique circumstances of the interconnection and why these circumstances necessitate the filing of a non-conforming interconnection agreement").

37. Indeed, as El Paso acknowledges, the non-conforming provisions El Paso proposes here are not unique to this proceeding. El Paso has established a pattern of filing LGIAs with similar non-conforming provisions without regard to the case-specific characteristics of the interconnection. Although the Commission has accepted interconnection agreements with similar non-conforming provisions,[50] it is now evident, and we find, that these non-conforming provisions are not needed to address specific reliability concerns or other unique factors associated with the interconnection or generator at issue, but rather are provisions El Paso seeks to broadly apply to non-synchronous generators interconnecting to its system. To the extent El Paso understood the Commission's acceptance of prior non-conforming agreements to suggest that this type of broad justification is sufficient to satisfy the "necessary" standard for each individual interconnecting non-synchronous resource, we now clarify that it is not.

38. Demonstrating that non-conforming provisions are necessary to accommodate a specific interconnection requires more than stating that it involves a non-synchronous generator. El Paso argues that its proposed non-conforming provisions will make it less likely that the generator will exacerbate disruptions in the El Paso transmission system, and more likely that the generating facility will be able to stay connected to the El Paso system during system events.[51] However, El Paso does not explain why these reliability concerns are unique to this particular interconnection. In fact, El Paso describes general reliability concerns relevant to the entire El Paso transmission system. To the extent El Paso believes that non-synchronous generator interconnections present general reliability concerns, El Paso may propose revisions to its *pro forma* LGIA and SGIA pursuant to FPA section 205.[52]

39. We also find that El Paso did not demonstrate that it is necessary to delete non-applicable terms from the LGIA, such as the proposed deletion of Appendix 7 or the transition or post-transition period for low-voltage ride through capabilities. The Commission has rejected non-substantive, clarifying, and stylistic deviations to the *pro forma* LGIA, stating that "[i]f a provision of a contract is not applicable, it is not

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[50] *See El Paso Elec. Co.*, 175 FERC ¶ 61,199 at P 12; *see also supra* note 14.

[51] El Paso Transmittal at 2.

[52] We do not, in this order, prejudge any filing El Paso may decide to make to revise its *pro forma* interconnection agreement. Non-independent transmission providers proposing terms and conditions that deviate from the *pro forma* LGIA must demonstrate that the proposed variations are "consistent with or superior to" the requirements of Order No. 2003. Order No. 2003, 104 FERC ¶ 61,103 at P 826.

applicable. Unless confusion is likely, modifications to a *pro forma* agreement that 'clarify' matters not in doubt are not necessary."[53]

40. Finally, we find that El Paso has sufficiently justified its proposed allocation of network upgrade costs and security requirements in the LGIA and disagree with Solar PV's protest on those issues. We find that El Paso's methodology for allocating the costs of network upgrades among interconnection customers in a cluster study, as applied to Solar PV, is consistent with methodologies the Commission has accepted as just and reasonable in other cases.[54] Additionally, the interconnection customers here, including Solar PV, were aware of El Paso's intent to use a cluster approach.[55] With regard to Solar PV's financial security obligations, we find that they are consistent with article 11.5 (Provision of Security) of the LGIA and with El Paso's proposed allocation of network upgrade costs, because the financial security El Paso is requiring does not include the costs of Solar PV's interconnection facilities and stand-alone network upgrades for which Solar PV has assumed responsibility.

The Commission orders:

The proposed LGIA is hereby rejected, as discussed in the body of this order.

By the Commission. Commissioner Phillips is not participating.

Debbie-Anne A. Reese,
Deputy Secretary.

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[53] *MidAmerican Energy Co.*, 116 FERC ¶ 61,018, at P 11 (2006).

[54] The Commission has previously accepted queue reform proposals to allocate the costs of lines, transformers, and voltage support network upgrade costs based on the proportional capacity of each facility in the cluster study. *See PacifiCorp*, 171 FERC ¶ 61,112, at PP 18, 149 (2020); *Pub. Serv. Co. of Colo.*, 169 FERC ¶ 61,182, at PP 33-34, 36 (2019); *Pub. Serv. Co. of N.M.*, 136 FERC ¶ 61,231, at P 86 (2011).

[55] Deficiency Response at 3.

Document Content(s)

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